



September 12, 2016

VIA ELECTRONIC FILING

Ms. Jocelyn Boyd
Chief Clerk and Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, SC 29210

Dear Ms. Boyd:

Re: Filing of Quarterly Monitoring Report by Piedmont Natural Gas Company, Inc.
Pursuant to S.C. Code §58-5-430
Docket No. 2016-7-G

Pursuant to Section 58-5-430 of the South Carolina Natural Gas Rate Stabilization Act, enclosed is the quarterly monitoring report for the twelve-month period ending June 30, 2016, for Piedmont Natural Gas Company, Inc.

If you have any questions about this filing, you may reach me at 704-731-4560 or Robert Thornton at 704-731-4148.

Sincerely,

s/ Jenny Furr

Jenny Furr
Manager, Regulatory Reporting

Enclosures

c: ORS — Matt Schellinger
Jeff Nelson
James H. Jeffries IV

Net Operating Income and Rate of Return
For The Twelve Months Ended June 30, 2016
South Carolina
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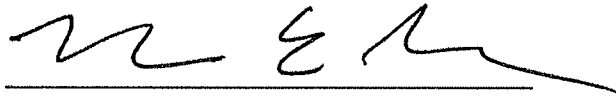
	(1)	(2)	(3)
	<u>Per Filing</u>	<u>Accounting And Pro Forma Adjustments</u>	<u>After Pro Forma Adjustments</u>
Operating Revenues			
Sale of Gas	\$ 116,782,948	\$ 5,122,941	\$ 121,905,889
Other Operating Revenues	800,841	-	800,841
Total Operating Revenue	<u>\$ 117,583,789</u>	<u>\$ 5,122,941</u>	<u>\$ 122,706,730</u>
Operating Expenses			
Cost of Gas	\$ 47,440,373	\$ 4,828,721	\$ 52,269,094
Other Operation & Maintenance	32,578,566	353,696	32,932,262
Depreciation	12,596,699	(934,497)	11,662,202
General Taxes	7,423,089	108,666	7,531,755
State Income Taxes	524,080	89,485	613,565
Federal Income Taxes	3,494,242	578,364	4,072,606
Amort. of ITC	(17,548)	-	(17,548)
Total Operating Expenses	<u>\$ 104,039,502</u>	<u>\$ 5,024,435</u>	<u>\$ 109,063,937</u>
Net Operating Income	<u>\$ 13,544,287</u>	<u>\$ 98,506</u>	<u>\$ 13,642,793</u>
Interest on Customer Deposits	(101,324)	-	(101,324)
Amortization of Debt Redemption Premium	-	-	-
AFUDC	240,758	-	240,758
Customer Growth	120,544	877	121,421
Net Operating Income For Return	<u>\$ 13,804,266</u>	<u>\$ 99,383</u>	<u>\$ 13,903,649</u>
Original Cost Rate Base			
Plant in Service	\$ 492,923,123	\$ -	\$ 492,923,123
Accumulated Depreciation	(212,527,622)	-	(212,527,622)
Net Plant in Service	\$ 280,395,501	\$ -	\$ 280,395,501
Add:			
Construction Work in Progress	39,556,460	-	39,556,460
Materials and Supplies	7,355,789	-	7,355,789
Cash Working Capital	3,534,657	44,212	3,578,869
Deduct:			
Customer Advances for Construction	-	-	-
Customer Deposits	2,639,038	-	2,639,038
Accumulated Deferred Income Taxes	63,063,653	-	63,063,653
Unclaimed Funds	103,467	-	103,467
Total Original Cost Rate Base	<u>\$ 265,036,249</u>	<u>\$ 44,212</u>	<u>\$ 265,080,461</u>
Return on rate base	<u>5.21%</u>		<u>5.25%</u>

Net Operating Income and Rate of Return
For The Twelve Months Ended June 30, 2016
South Carolina
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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			After Accounting and Proforma Adjustments						
	Per Books Capitalization	Accounting and Pro Forma Adjustments	Settlement Capitalization	Calculated Ratio %	Ratio %	Cost Net Investment	Embedded Cost %	Overall Cost Rate %	Net Operating Income
1. Long-Term Debt	\$ 1,519,445,306	\$ -	\$ 1,519,445,306	49.98%	47.00%	\$ 124,587,817	4.96%	2.33%	\$ 6,179,556
2. Common Equity	1,520,724,025	-	1,520,724,025	50.02%	53.00%	140,492,644	5.50%	2.91%	7,724,093
3. Total	<u>\$ 3,040,169,331</u>	<u>\$ -</u>	<u>\$ 3,040,169,331</u>	<u>100.00%</u>	<u>100.00%</u>	<u>\$ 265,080,461</u>		<u>5.25%</u>	<u>\$ 13,903,649</u>

CERTIFICATION

I, Thomas E. Skains and Karl W. Newlin, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Thomas E. Skains
President and CEO

9/7/16

Date Signed



Karl W. Newlin
Senior Vice President and CFO

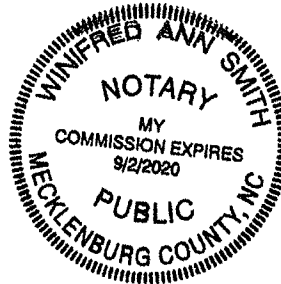
Sept 7, 2016

Date Signed

Subscribed and Sworn to before me this
7th day of September, 2016.


Notary Public

My Commission Expires 9/2/2020



CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached *Quarterly Monitoring Report* is being served this date via email and UPS Overnight upon:

Jeffrey M. Nelson
Office of Regulatory Staff
1401 Main Street
Suite 900
Columbia, South Carolina 29201
jnelson@regstaff.sc.gov

And that a copy of the attached *Quarterly Monitoring Report* is being served this date via email or U.S. Mail upon:

Bruce Barkley
Vice President
Regulatory Affairs, Rates and Gas Cost Accounting
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
bruce.barkley@piedmontng.com

and

Pia Powers
Director - Regulatory Affairs
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
pia.powers@piedmontng.com

This the 12th day of September, 2016.

/s/ Richard K. Goley
Richard K. Goley